

## Message Text

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PAGE 01 LUANDA 00062 171924Z

64

ACTION ISO-00

INFO OCT-01 AF-06 EUR-12 SAM-01 CIAE-00 DODE-00 PM-03 H-01

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FM AMCONSUL LUANDA

TO SECSTATE WASHDC 3192

INFO AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY KINSHASA

AMEMBASSY LUSAKA

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMCONSUL LOURENCO MARQUES

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E.O. 11652: N/A

TAGS: EFIN PINS AO

SUBJECT: THE INTERNATIONAL FINANCE AND CENTRAL BANK PORTION OF THE  
ALVOR AGREEMENT

REF: LUANDA 0058

CAPE TOWN FOR EMBASSY

1. FOLLOWING IN TRANSLATION IS THE TEXT OF CHAPTER VIII OF THE  
RECENT AGREEMENT BETWEEN THE GOP AND THE THREE ANGOLAN LIBERATION  
GROUPS.

2. ARTICLE NO. 49: PORTUGAL IS OBLIGED TO FACILITATE THE  
TRANSFER TO THE NEW ANGOLAN GOVERNMENT OF PROPERTY (BENS) - OR  
ITS EQUIVALENT VALUE - LOCATED OUTSIDE ANGOLA BUT BELONGING TO  
ANGOLA.

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PAGE 02 LUANDA 00062 171924Z

ARTICLE NO. 50: THE GROUPS DECLARE THEMSELVES DISPOSED TO ACCEPT RESPONSIBILITY FOR FINANCIAL AGREEMENTS MADE BY THE PORTUGUESE GOVERNMENT ON THE PART OF AND RELATING TO ANGOLA SO LONG AS THEY ARE IN THE REAL INTEREST OF THE ANGOLAN PEOPLE.

ARTICLE NO. 51: A MIXED (PORTUGUESE AND PROVISIONAL GOVERNMENT) COMMISSION WILL DEAL WITH THE PROPERTY AND FINANCIAL ARRANGEMENTS REFERRED TO ABOVE AND PROPOSE TO THE PROVISIONAL GOVERNMENT JUST SOLUTION.

ARTICLE NO. 52: PORTUGAL HAS AGREED TO MAKE AVAILABLE TO THE COMMISSION ALL INFORMATION NECESSARY FOR IT TO FORMULATE JUDGEMENTS AND EQUITABLE SOLUTIONS WITHIN A FRAMEWORK OF TRUTH AND RESPECT FOR THE LEGITIMATE RIGHTS OF EACH PARTY.

ARTICLE NO. 53: PORTUGAL WILL ASSIST ANGOLA IN THE CREATION AND INSTALLATION OF A CENTRAL BANK OF ISSUE. PORTUGAL PROMISES TO TRANSFER TO ANGOLA THE ASSETS AND LIABILITIES OF THE ANGOLAN SECTION OF THE BANK OF ANGOLA IN ACCORDANCE WITH THE MIXED COMMISSION FOR FINANCIAL MATTERS. THE COMMISSION WILL LIKEWISE STUDY ALL MATTERS RELATING TO THE PORTUGUESE SECTION OF THE BANK OF ANGOLA, PROPOSING SOLUTIONS IN THE INTEREST OF ANGOLA.

ARTICLE NO. 54: FNLA, UNITA AND MPLA PROMISE TO RESPECT THE LEGITIMATE INTERESTS OF PORTUGUESE DOMICILED IN ANGOLA.

3. ALTHOUGH THE CHAPTER IS TITLED "ECONOMIC AND FINANCIAL MATTERS" IT DEALS ALMOST EXCLUSIVELY WITH THE CEDING TO ANGOLA OF PROPERTY AND MONIES OUTSIDE ANGOLA BELONGING TO ANGOLA BUT CURRENTLY UNDER THE EFFECTIVE CONTROL OF THE PORTUGUESE GOVERNMENT. DISPUTES OVER ANGOLAN PHYSICAL PROPERTY (BENS) OUTSIDE ANGOLA IS NOT EXPECTED TO BE GREAT. DISENTANGLING THE ASSETS OF THE BANK OF ANGOLA AND THE BANK OF PORTUGAL, HOWEVER, WILL INVOLVE CONTENTION DIRECTLY PROPORTIONATE TO THE INCLINATION AND ABILITY OF THE NEW GOVERNMENT TO AUDIT THE BOOKS AND INVERSELY PROPORTIONAL TO PORTUGUESE HONESTY IN SUPPLYING INFORMATION CALLED FOR BY ARTICLE 52.

4. THE MAJOR ECONOMIC IMPACT OF THE ALVOR AGREEMENT IS TO BE FOUND IN OTHER CHAPTERS. THE KEY TO THE SHORT AND LONG RANGE (UP TO TEN YEARS) PERFORMANCE OF ANGOLA' ECONOMY IS WHETHER LARGE NUMBERS LIMITED OFFICIAL USE

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PAGE 03 LUANDA 00062 171924Z

OF WHITES REMAIN. WHITE INTENTIONS IN TURN ARE BASED ON THE PROBABLE PLACE THEY WILL BE ACCORDED IN AN INDEPENDENT ANGOLA. IN THIS CONTEXT, ARTICLE I RULES OUT ANY PARTIES OTHER THAN FNLA, MPLA AND UNITA. THE PORTUGUESE GOVERNMENT AND THE LIBERATION MOVEMENTS BELIEVE THAT TO ALLOW A SEPARATE WHITE PARTY TO FUNCTION WOULD SET OFF WHITES AGAINST BLACKS. THEY HOPE BY FORCING WHITES TO FUNCTION THROUGH ONE OF THE MOVEMENTS TO BRING ABOUT A SENSE OF IDENTIFICATION BETWEEN THE TWO RACES AND TO ENLARGE THE SCOPE OF

CONCERN OF EACH MOVEMENT. A MAJORITY OF WHITES ON THE OTHER HAND, ARE NOT CONVINCED THEIR INTERESTS WILL BE PROTECTED BY SUCH AN ARRANGEMENT. UNKNOWN AT THIS TIME IS THE DEGREE TO WHICH WHITE DISQUIET WILL TRANSLATE ITSELF INTO A WHITE EXODUS EITHER BEFORE OR AFTER INDEPENDENCE. UNLIKE OTHER AFRICAN DECOLONIZATION EXPERIENCE, THE WHITE ROLE IN ANGOLA'S ECONOMY IS NOT RESTRICTED TO MANAGEMENT, INVESTMENT AND SKILLED TRADES BUT INCLUDES LARGE NUMBER OF SEMI AND UNSKILLED WORKERS, AS WELL AS VIRTUALLY ALL RETAIL SALES AND WHITE COLLAR EMPLOYMENT.  
KILLORAN

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